

this Application. We find that, consistent with our extensive review of the competitive checklist, barriers to competitive entry in the local market have been removed and the local exchange market today is open to competition. We thus disagree with commenters' arguments that the public interest would be disserved by granting Bell Atlantic's application because the local market in New York has not yet truly been opened to competition. We also find that the record confirms our view that BOC entry into the long distance market will benefit consumers and competition if the relevant local exchange market is open to competition consistent with the competitive checklist.

29. Another factor that could be relevant to our analysis is whether we lack sufficient assurance that markets will remain open after grant of application. We find that the performance monitoring and enforcement mechanisms developed in New York, in combination with other factors, provide strong assurance that Bell Atlantic will continue to satisfy the requirements of section 271 after entering the long distance market. Where, as here, a BOC relies on performance monitoring and enforcement mechanisms to provide such assurance, we will review the mechanisms involved to ensure that they are likely to perform as promised. We conclude that these mechanisms have a reasonable design and are likely to provide incentives sufficient to foster post-entry checklist compliance. We base this predictive judgment on the fact that the plan has the following important characteristics: (1) potential liability that provides a meaningful and significant incentive to comply with the designated performance standards; (2) clearly-articulated, pre-determined measures and standards, which encompass a comprehensive range of carrier-to-carrier performance; (3) a reasonable structure that is designed to detect and sanction poor performance when it occurs; (4) a self-executing mechanism that does not leave the door open unreasonably to litigation and appeal; and (5) reasonable assurances that the reported data is accurate. Parties to this proceeding identify numerous criticisms relating to the structure of these mechanisms, but none are sufficient to cause us to conclude that the plan will fail to foster post-entry compliance with the checklist requirements.

30. Consistent with our accounting rules with respect to antitrust damages and certain other penalties paid by carriers, we conclude that Bell Atlantic

should not be permitted to reflect any portion of the bill credits associated with these enforcement mechanisms as expenses under the revenue requirement for interstate services of the Bell Atlantic incumbent LEC. We also conclude that other concerns identified by commenters do not convince us that grant of this application would be inconsistent with the public interest. Finally, we have determined in a separate order that Bell Atlantic's provisions of National Directory Assistance is permissible and consistent with section 271(g)(6) of the Act, and conclude that any uncertainty about Bell Atlantic's past compliance with this provisions is not grounds for denying the application.

31. *Section 271(d)(6) Enforcement Authority.* Congress sought to create incentives for BOCs to cooperate with competitions by withholding long distance authorization until they satisfy various conditions related to local competition. We note that these incentives may diminish with respect to a given state once a BOC receives authorization to provide interLATA service in that state. The statute nonetheless mandates that a BOC comply fully with section 271's requirements both before and after it receives approval from the Commission and competes in the interLATA market. Working in concert with state commissions, we intend to monitor closely post-entry compliance and to enforce vigorously the provisions of section 271 using the various enforcement tools Congress provided us in the Communications Act. Swift and effective post-approval enforcement of section 271's requirements is essential to Congress' goal of achieving lasting competition in local markets.

Federal Communications Commission.

William F. Caton,

Deputy Secretary.

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FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than January 16, 2000.

A. Federal Reserve Bank of Kansas City (D. Michael Manies, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Donald L. Howell and HQFP Holdings, LTD., LLP*, Houston, Texas; to acquire voting shares of FNB Financial Services, Inc., Durant, Oklahoma, and thereby indirectly acquire voting shares of First National Bank in Durant, Durant, Oklahoma.

2. *Donald Lee Patry and Donald Carl Harder* both of Whitewater, Kansas; to acquire voting shares of Whitewater BancShares, Inc., Whitewater, Kansas, and thereby indirectly acquire voting shares of Bank of Whitewater, Whitewater, Kansas.

Board of Governors of the Federal Reserve System, December 27, 1999.

Jennifer J. Johnson,

Secretary of the Board.

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FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the